

RÉSUMÉ DIGEST

ACT 377 (HB 535)

2025 Regular Session

Mandie Landry

Existing law (R.S. 47:1517.1) authorizes the legislative auditor (LLA) to conduct performance audits of state agency programs that administer tax incentives to evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and to identify programs that are vital and in the best interests of the citizens of La.

Prior law (R.S. 51:935.1) required La. Economic Development to issue an annual unified economic development budget report. Required the LLA to conduct performance audits of at least three economic development programs as defined in prior law in order to evaluate the management controls, accuracy, and reliability of reported information regarding the programs.

New law repeals prior law.

New law requires the LLA to make evaluations and to publish quadrennial reports on each tax incentive and economic development program administered by a state agency, but provides that the LLA may exempt from evaluation any incentive that he concludes has a minimal fiscal impact. Provides that the LLA may contract with third parties to assist with evaluations.

New law requires the LLA to prepare a cost-benefit analysis of tax incentives and economic development programs and the impact they have on state revenue. Requires that these evaluations include assessments and all of the following:

- (1) Surveying of tax incentive recipients.
- (2) Analysis of economic impacts.
- (3) Impacts to local sales tax collections.

New law authorizes the LLA to require companies to participate in evaluations and accurately verify data collected.

New law requires the LLA to submit a report to the legislature on a quadrennial basis starting December 31, 2026.

Effective August 1, 2025.

(Adds R.S. 47:1517.2; Repeals R.S. 51:935.1)